

Message Text

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E.O.: 11652: N/A
TAGS: EAGR, DA, EEC
SUBJ: NEW RAPESEED VARIETIES MAY IN LONG RUN REDUCE US
SOYBEAN EXPORTS TO EC

SUMMARY: IN DISCUSSIONS WITH A PROMINENT AND INFLUENTIAL DAN-
ISH FARMER, AMBASSADOR DEAN WAS STRUCK BY HIS ACCOUNT OF PRO-
MISING TEST GROWING AND RESEARCH BEING CARRIED OUT ON HIS ES-
TATE WITH COMMERCIALY AVAILABLE SPRING RAPESEED VARIETY WHICH
IT IS CLAIMED COULD SOLVE EUROPE'S PROTEIN PROBLEM RAPIDLY AND
ELIMINATE DEPENDENCE ON US SOYBEANS. THE VARIETY IS SAID TO
HAVE A VERY LOW ERUCIC ACID AND ALKALOID CONTENT AND A MUCH
HIGHER PROTEIN UTILIZATION FACTOR THAN SOYBEAN MEAL. THE AMB-
ASSADOR OBTAINED DESCRIPTIVE LITERATURE, INCLUDING PRELIMINARY
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AND COMPARATIVE TEST RESULTS, WHICH IS BEING FORWARDED IN
TRANSLATION TO FAS/USDA. END SUMMARY.

1. PROMINENT DANISH FARM ESTATE OWNER AND INDUSTRIALIST,
FLEMMING JUNKER, (RECOGNIZED FOR THE VALUABLE WORK HE HAS
DONE IN WHEAT VARIETY EXPERIMENTS AND KNOWN FOR HIS PRO-AMER-
ICAN SENTIMENTS) TOLD THE AMBASSADOR LAST WEEK END ABOUT THE

PROMISING RESULTS HE HAS OBTAINED FROM THE GROWING OF A SPRING RAPESEED VARIETY, THE DOUBLELOW ERGLU, THE ONLY DOUBLELOW VARIETY COMMERCIALY AVAILABLE OF THE MANY BEING TESTED. HE CLAIMS THAT DOUBLELOW RAPESEED COULD SOLVE EUROPE'S PROTEIN PROBLEMS EFFICIENTLY AND RAPIDLY AND IN THE LONGER TERM ELIMINATE THE REQUIREMENT FOR SOYBEAN IMPORTS INTO THE EC.

2. JUNCKER HAS SOWN 500 HECTARES (ABOUT 1200 ACRES) UNDER THE ERGLU SPRING RAPESEED VARIETY AND ESTIMATES TOTAL 1977 DANISH RAPESEED ACREAGE AT BETWEEN 25,000-37,000 ACRES. HE BELIEVES THE GOAL FOR DANISH PRODUCTION OF QUALITY RAPESEED, SUCH AS ERGLU, COULD REASONABLY BE SET AT ABOUT 1.5 MILLION ACRES (ABOUT 20 PERCENT OF ARABLE AREA). OF THE EC COUNTRIES, DENMARK IS PRACTICALLY ALONE IN GROWING SPRING RPT SPRING RAPESEED. HE CLAIMS THAT ERGLU HAS A MAXIMUM 2.5 PERCENT ERUCIC ACID CONTENT, A MINIMAL CONTENT OF ALKALOIDS (GLYCOSINOLATE AND MUSTARD OIL) AND A NEW PROTEIN UTILIZATION VALUE OF 74-75 PERCENT, MAKING IT EQUAL TO NONFAT DRY MILK AND FISHMEAL AND CONSIDERABLY HIGHER THAN SOYBEAN MEAL. HE FURTHER CLAIMS THAT ERGLU PROTEIN'S AMINO ACID COMPOSITION GIVES IT A HIGH BIOLOGICAL VALUE ONLY EXCEEDED BY EGG PROTEIN AND TESTS WITH HOGS AND CHICKENS HAVE CONFIRMED ITS RECORD HIGH FEEDING VALUE. ERGLU RAPESEED HAS ONLY JUST BEGUN TO GAIN RECOGNITION IN DENMARK WHICH WAS INHIBITED BY ITS RELATIVELY LOW YIELD, ABOUT 10 PERCENT LESS THAN OTHER HIGH-YIELDING SPRING VARIETIES.

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3. JUNCKER STATES THAT THE DANISH OIL CRUSHING INDUSTRY IS UNINTERESTED IN EFFORTS TO IMPROVE RAPESEED MEAL AND THEREBY SUBSTITUTE IT FOR IMPORTS OF SOYBEANS, WHICH HAVE FLUCTUATED WITHIN WIDE PRICE MARGINS TO THE DETRIMENT OF DANISH LIVESTOCK PRODUCTION. IF THE ECONOMIC SAFETY NET COULD BE ASSURED DURING A TRANSITIONAL DEVELOPMENT PERIOD, HE BELIEVES SOME OF THE LARGE FEED COMPOUNDERS WOULD BE INTERESTED IN CONSTRUCTION OF NEW OIL CRUSHING AND EXTRACTION PLANTS. HE RECOMMENDS THAT THE EC DEVELOP QUALITY DEFINITIONS FOR DESIRABLE RAPESEED VARIETIES AND SET A HIGHER INTERVENTION PRICE FOR SUCH VARIETIES AS AN INCENTIVE TO PRODUCTION.

4. JUNCKER STATES THAT A NEW RAPESEED SCHEME IN THE EC WOULD NECESSARILY HAVE TO INCLUDE AN ESCAPE CLAUSE AGAINST SOYBEAN "DUMPING", SO THAT IMPORTS WERE SUBJECT TO A LEVY DURING LOW-PRICE PERIODS TO BRING SOYBEAN PRODUCTS TO A LEVEL EQUAL TO THE INTERNAL SET PRICE OF QUALITY RAPESEED MEAL. HE ADDS THAT UNLESS SOYBEAN PRODUCT PRICES CAN BE HELD ABOVE CERTAIN LEVELS, IT WILL BE VERY DIFFICULT, PERHAPS IMPOSSIBLE, TO ADMINISTER AN INTERVENTION SYSTEM FOR LOW-ERUCIC ACID RAPESEED. BUT ACTION MUST BE TAKEN, HE FEELS, TO END THE "NIGHTMARE" FOR DANISH LIVESTOCK PRODUCERS CAUSED BY THE WIDE PRICE FLUCTUATIONS OF SOYBEANS DURING RECENT

YEARS AND LACK OF UNDERSTANDING OF EC'S PROTEIN PROBLEMS BY THE U.S.

5. COMMENTS: JUNCKER'S THINKING ON THE UNDESIRABILITY OF WIDE FLUCTUATIONS IN SOYBEAN PRICES IS FULLY SHARED BY DANISH FARM CIRCLES, WHICH PARTLY BLAME SUCH SWINGS FOR THE STAGNATION IN DANISH LIVESTOCK PRODUCTION. ALTHOUGH INCREASED DANISH (AND EC-WIDE) PROTEIN PRODUCTION IS A STATED GOAL, THE HIGH COSTS INVOLVED AND US SOYBEAN BINDINGS UNDER GATT HAVE INHIBITED SPORADIC EFFORTS MADE IN THE PAST. THE CALL FOR A WORLD OILSEEDS AGREEMENT TO REGULATE THE FLOW AND THE PRICE OF SOYBEANS AND MEAL HAS INTENSIFIED IN DENMARK. IN THE MEANTIME, DEVELOPMENTS IN RAPESEED PRODUCTION ARE BEING FOLLOWED CLOSELY. THE DANES HAVE DISCUSSED THE POSSIBILITY OF INTENSIFIED EC EFFORTS IN THIS FIELD BASED ON THE NEW VARIETIES WITH GUNDELACH WHO, THE AMBASSADOR, LIMITED OFFICIAL USE

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SADOR UNDERSTANDS, POINTED TO THE IMMEDIATE US REACTION IF A THREAT TO SOYBEAN EXPORTS TO THE EC WAS INVOLVED. THE RECENT DROP IN SOYBEAN PRICES WILL PROBABLY HAMPER EFFORTS TO DEVELOP ALTERNATIVE EC PROTEIN PRODUCTION, AT LEAST SHORT TERM. ON THE OTHER HAND, JUNCKER'S IDEAS ARE ILLUSTRATIVE OF THE GROWING CONCERN BEING EVIDENCED IN THE PROTEIN FEED FIELD.
DEAN

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